

Message Text

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SUBJ: MARKETING OPPORTUNITIES IN KENYA'S PLASTICS INDUSTRY

REF USDOC 08943

1. SCOPE. LOCAL MANUFACTURE OF PLASTICK PRODUCTS HAS INCREASED MARKEDLY IN RECENT YEARS. 76 PRODUCTION WAS 260 PERCENT OVER THAT OF 1973 AND UP 16 PERCENT OVER 1975. OUR SURVEY IDENTIFIED 37 LOCAL FIRMS IN THE INDUSTRY. PRESENT LICENSING ARRANGEMENTS INCLUDE MANUFACTURE OF TAPE CASSETTES, TOOTH BRUSHES, TELEPHONE SHELLS, DISPOSABLE SYRINGES, LUGGAGE AND PACKAGING MATERIALS. VIRTUALLY ALL PLASTICS RAW MATERIALS ARE IMPORTED. 1976 IMPORTS TOTALED OVER 17 MILLION DLRS AND 17,000 METRIC TONS (VERSUS 9.5 MILLION AND 11,000 TONS IN 1975). KENYA ALSO EXPORTS PLASTICS PRODUCTS (1 MILLION DLRS IN 1976) AND RE-EXPORTS RAW MATERIALS (1.7 MILLION DLRS IN 1976). THE U.S. MARKET SHARE OF PLASTICS TRADE IS TRADITIONALLY VERY LOW.

2. JOINT VENTURE - LICENSING OPPORTUNITIES. CONSIDERABLE INTEREST WAS EXPRESSED FOR U.S. JOINT VENTURE PROPOSALS DURING OUR SURVEY. ABOUT 10 TRADE OPPORTUNITIES WERE GENERATED WHICH WILL BE REPORTED SEPARATELY. MANUFACTURING IDEAS SUGGESTED AS POTENTIALLY FEASIBLE INCLUDED:

- A. RAW MATERIALS (GRANULES, POWDERS, EMULSIONS, ETC.),
- B. DOMESTIC APPLIANCE CABINETS,

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- C. WET BATTERY CASES,
 - D. AUTOMOBILE DASHBOARDS AND OTHER ACCESSORIES,
 - E. PLASTICK PACKAGING ITEMS (STOPPERS, LIDS, CAPS, ETC.),
 - F. DISPOSABLE EATING SETS FOR AIRLINE AND TOURISM USE,
 - G. CLOTHING AND ACCESSORIES (APRONS, BELTS, BIBS, BEADS AND NECKLACES).
- WE CONCLUDE THERE IS ENCOURAGING POTENTIAL FOR U.S. JOINT

VENTURE AND LICENSING ARRANGEMENTS. KENYA CONTINUES TO SOLICIT FOREIGN INVESTMENT, BUT THERE ARE MANY COMPANIES AND INDIVIDUALS WITH ACCUMULATED CAPITAL. THE MISSING INGREDIENTS ARE OFTEN TECHNOLOGY AND EXPERTISE, NOT FUNDS.

3. SALES POTENTIAL. UNSOPHISTICATED AND CHEAPER PRODUCTS ARE INCREASINGLY PRODUCED LOCALLY. AS IN OTHER FIELDS, SUCCESSFUL MARKETING CAN ONLY BE EXPECTED THROUGH STRONG LOCAL REPRESENTATION. GIVEN THE INTEREST EXPRESSED DURING OUR SURVEY, WE BELIEVE THERE IS SALES POTENTIAL FOR MANUFACTURING AND PROCESSING EQUIPMENT ASSOCIATED WITH STRONG ENTREPRENEURIAL INTEREST IN EXPANSION, NEW LINES AND NEW STARTUPS.

4. WE REGRET DELAY IN ANSWERING PLASTICS REQUEST. DETAILS OF SURVEY WILL BE REPORTED BY AIRGRAM AND RELATED TRADE OPPORTUNITIES WILL REFERENCE THIS CABLE.
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